

THE EFFECT OF LIQUIDITY, PROFITABILITY, LEVERAGE AND CORPORATE SOCIAL RESPONSIBILITY ON COMPANY VALUE WITH DIVIDEND POLICY AS A MODERATING VARIABLE (EMPIRICAL STUDY IN LQ45 COMPANIES LISTED ON IDX)

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Abstract

This study aimed to analyze the effect of liquidity, profitability, leverage and corporate social responsibility on firm value with the dividend policy as a moderating variable (Empirical Study on companies listed as LQ45 in Indonesia Stock Exchange) in 2011 - 2016. This type of research is explanatory research method. Sampling used is purposive on the criteria which companies consistently listed during the period of research. There are 21 companies observed out of 309 companies as population. The method of data collection is documentation. Method of data analysis is panel data regression analysis. The results of this study showed that simultaneously liquidity, profitability, leverage and corporate social responsibility have significant effect on firm value. Partial test showed that liquidity has no effect on firm value, profitability positively and significantly affect the firm value, leverage also has no effect on firm value, and corporate social responsibility has significant effect on firm value. Moderating test with the residual test showed the dividend policy has not proved as moderating variable that may moderate the relationship of liquidity, profitability, leverage and csr with the firm value of the companies listed on LQ45 in the Indonesia Stock Exchange.

Keywords: Liquidity, Profitability, Leverage, Corporate Social Responsibility, Firm Value, Dividend Policy

I. Introduction

The goal of each company is to achieve maximum profits, maintain survival, pursue growth, prosper labour and especially prosper its owners (shareholders). Companies that have gone public will try to show maximum performance to increase the value of their company. The value of the company will affect the market or investor's view of the company. If the value of the company is good, then the return expected by shareholders will be higher. Company value illustrates how well or badly management manages its wealth, this can be seen from the measurement of financial performance obtained. A company will try to maximize the value of its company. Increasing the value of the company is usually characterized by rising stock prices in the market (Rahayu, 2010). The value of the company is very important because the high value of the company will be followed by the high prosperity of shareholders (Brigham Gapensi, 1996). The higher the stock price the higher the value of the company.

The development of information and technology today brings new knowledge to the wider community about investment. One of them is by owning company shares traded in the capital market, in this case the Indonesia Stock Exchange. When someone will invest their funds in the capital market, investors will first assess the issuer (the company that

sells its shares on the stock). Investors must be sure that information about the issuer is correct, meaning that there is no information manipulation.

Fairness of stock prices is often a factor that supports investor confidence in companies (issuers). The capital market is said to be informational efficiency if the price of its securities reflects all relevant information. Incorrect information will mislead investors in investing in securities, so this can be detrimental to investors.

Company performance measurement is one of the indicators used by investors to assess a company from the market price of the stock on the Indonesian stock exchange. The better the company's performance, the higher the return that will be obtained by investors. Generally investors will look for companies that have the best performance and invest their capital in the company. It is said that the acquisition of company capital and company value will increase if the company has a good reputation reflected in its financial statements. Financial ratios in financial statements are used by investors to know the market value of a company. The ratio can provide an indication for management regarding investor ratings of the company's past performance and future prospects. There are several ratios to measure the market value of a company, one of which is PBV (Price Book Value) which compares market prices per share with the price of books per share of the company. This PBV ratio is one indicator of valuation of expensive stock prices or not. Based on these comparisons the company's stock price will be known to be above or below the book value of the stock. In this study using liquidity ratios, profitability and leverage.

Liquidity indicates the ability of an entity (company) to pay its obligations. Therefore liquidity is centered on current assets and current liabilities (Bergevin 2002, p.158). A high level of liquidity will indicate that the company is in a good condition so that it will increase the demand for shares and of course will increase stock prices. Stock prices will also tend to decline if investors consider the company to be too liquid, which means there are productive assets that are not utilized by the company, and the use of these assets will add to the burden on the company due to maintenance costs and storage costs (Prayitno, 2008) This study uses liquidity ratios represented by the current ratio, a ratio that describes the company's ability to pay debts that must be fulfilled by using current assets owned by the company.

Profitability measures a company's ability to generate profits over a period of time (Weygandt, Kimmel, Kieso, 2013, p.699). The profitability ratio in this study is represented by return on assets (ROA). ROA is a ratio that measures a company's ability to generate profits using total assets. ROA assesses how much the return on assets owned by the company. Positive ROA shows that the total assets used for the company's operations are able to provide profits for the company. Conversely, negative ROA shows the total assets used do not provide profit / loss.

Leverage measures a company's ability to fulfill all its financial obligations consisting of short-term debt and long-term debt. Leverage in this study is represented by a debt to equity ratio (DER). DER is a ratio that compares total debt with total equity. This ratio measures the percentage of funds provided by creditors. DER shows the relationship between the number of loans given by the owner of the company. The greater this ratio indicates that the greater the capital structure derived from debt is used to fund existing equity, as stated by Warren et al. (2004) that "the smaller the DER ratio, the better the company's ability to survive in bad conditions". A small DER ratio indicates that the company is still able to fulfill its obligations to creditors.

Corporate Social Responsibility (CSR) is an action taken by the company as a form of a sense of responsibility towards the social, the surrounding environment where the company is located. CSR is thought to have an effect on the value of the company because the market will respond positively to the companies that carry out their responsibilities. The implementation of CSR is no longer considered a cost, but a company investment (Erni, 2007 in Kusumadilaga, 2010). CSR can be seen as the obligation of the business world to be accountable to all stakeholders, not only to one stakeholder. If the company does not provide accountability to all stakeholders including employees, customers, communities, the local / global environment, in the end the company will be considered bad and will not get support from the community. Many corporate issues related to CSR include issues of global pemasanaan, land and water pollution, and others. In Indonesia, a still warm case is the Lapindo Brantas disaster in East Java. In the midst of overcrowding, Sidoarjo was rolled mud from the bowels of the earth due to negligence of oil and gas exploitation. Another case of PT. Freeport Indonesia where on March 23, 2006 the Ministry of Environment published the findings of the monitoring and structuring of the quality of Freeport's environment which were considered not to meet the waste water boundary and had polluted sea water and marine biota. In addition, in 2007 Freeport employees demanded welfare improvements (Nor Hadi, 2014). A company raises a positive thing; employment, taxes for countries that indirectly improve people's welfare, but also create a negative side such as air pollution, products that do not comply with health standards, radiation, and even lead to disasters due to arbitrary actions. This triggers social and political problems.

Dividends are part of the profits received by the shareholders in an amount that is proportional to the number of shares owned, but not always dividends are shared by the company because the company feels the need to reinvest the profits earned. The amount of the dividend can affect share prices. If dividends are paid high, then the share price tends to be high so that the company's value is also high and if dividends are paid to small shareholders then the share price of the company that shares them is also low. The ability of a company to pay dividends is closely related to the company's ability to make a profit.

The LQ 45 index is one of the indices on the Indonesia Stock Exchange (IDX), where the index is obtained from the calculation of 45 issuers with selection criteria such as an assessment of liquidity. Issuers (companies) included in the LQ 45 Index are issuers with the best value which are regularly monitored by the Indonesia Stock Exchange (IDX). The LQ 45 index is a list of issuers that have high liquidity, which has been selected through several criteria. The selection of issuers listed in this index is not solely based on liquidity, but also considers its market capitalization.

II. Literature Review and Hypothesis

A company has good value if the company also has good performance. The main objective of the company according to the theory of the firm is to maximize the value of the firm (Salvatore, 2005). A good company performance will be reflected in its share price, the share price reflects the value of the company. The purpose of the company was established to increase the value of the company or the growth of the company so that it would provide prosperity to the shareholders. This value can only be determined if the company's shares are sold on the share market.

According to Weston and Copeland (1999), there are two types of valuation ratios used to determine the intrinsic value of a share, namely: Price to Earning Ratio (PER) and Market to Book Ratio, also called Price to Book Value Ratio (PBV). According to

Husnan. S and Pudjiastuti (2006: 258) Price to Book Value (PBV) is a comparison between market prices and share book values. For companies that are running well, generally this ratio reaches above one, which indicates that the share market value is greater than the book value. The greater the PBV ratio the higher the company is valued by investors, relative to the funds invested in the company. PBV signals the investor whether the price we pay / invest in the company is too high or not (if it is assumed the bankrupt immediately).

Liquidity

Liquidity Ratio is an analysis conducted on the ability of a company to fulfill its short-term obligations or obligations that are due. Measurements commonly used to assess liquidity are working capital, current ratio, average account receivable turnover, inventory turnover. The liquidity ratio used in this study is the current ratio. The definition of the current ratio according to Kasmir (2008) is a ratio to measure the company's ability to pay short-term liabilities or debts that are immediately due when billed as a whole.

Current assets are assets owned by companies that can be used as cash in a short time (less than one year). Components of current assets typically consist of cash, cash in banks, securities accounts receivable, inventory, prepaid expenses, and other current assets. Current liabilities are short-term corporate obligations that must be repaid within a maximum of one year. Components of current liabilities usually consist of trade payables, one-year bank loans, notes payable, salary debt, tax debt, dividend debt, received income in advance, maturing long-term debt and other short-term debt. From the results of the ratio measurement, if the current current ratio is low it can be said that the level of company liquidity is not good, but if the high current ratio does not necessarily indicate the condition of the company is good. This can happen because cash is not used as well as possible. In practice it is often used that the standard current ratio is 2: 1 (Kasmir, 2008).

Profitability

In this study the profitability ratio used is return on assets. Return On Asset shows the ability of a company to generate profits from assets used. The amount of the calculation of returns on assets shows how much the ability of the company to produce profits available to ordinary shareholders with all assets owned (Syahyunan, 2004). According to Tandelilin (2003), ROA describes the extent of the ability of assets owned by the company to be able to generate profits, the ROA ratio is obtained by dividing profit before interest and tax with the total assets of the company.

This ratio is used to measure the ability of invested capital in all assets to generate profits for all investors. The results of this ratio calculation indicate the effectiveness of management in generating profits related to the availability of company assets. 20% ROA (Return On Total Assets) means that every IDR 1 capital generates a profit of Rp 0.2 for all investors. The value of ROA that is getting closer to 1, means that the better the profitability of the company because each existing asset can generate profits (Gibson, 2001).

Leverage

Leverage is a ratio that can show the relationship of long-term loans provided by creditors with the amount of their own capital provided by the owner of the company (Syamsudin, 2009). According to Kasmir (2012) leverage ratios are used to measure a company's

ability to pay all its obligations, both long-term and short-term if the company is liquidated. In this study the leverage ratio used is a debt to equity ratio. Debt to Equity Ratio is a ratio that compares total debt with total equity.

Corporate Social Responsibility (CSR)

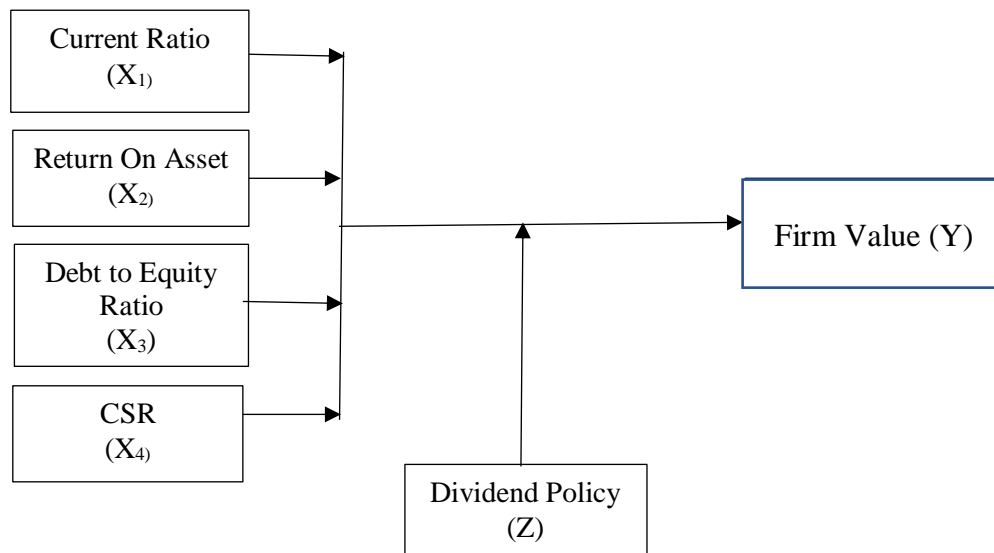
Hadianto (2013), disclosure of corporate social responsibility, often referred to as corporate social responsibility disclosure, corporate social reporting, social accounting, is a way of communicating social information to stakeholders. The standard for disclosure of CSR in Indonesia is referring to the standards developed by the Global Reporting Initiatives (GRI). The Global Reporting Initiative (GRI) is an organization-based network that has pioneered the development of the world, using the most sustainability report framework and is committed to continually making improvements and implementations throughout the world (www.globalreporting.org).

Dividend Policy

Dividends are profits from companies that are distributed to shareholders. Lease et al. (2000: 29) in Gumanti (2013) defines dividend policy as "the practice that management follows in making dividend payout decisions, in other words, the size and pattern of cash distributions over time to shareholders". Some theories about dividends; (1) Bird in the hand theory states that investors prefer cash dividends rather than being promised a return on investment (capital gains) in the future, because receiving cash dividends is a form of certainty which means reducing risk (Tatang Ary Gumanti, 2013). (2) Signaling Theory states that dividends will reduce asymmetric information between management and shareholders by implying private information about the company's future prospects. (3) Agency Theory states that dividends help reduce agency costs related to the separation of ownership and control of the company.

Dividend policy relates to the determination of the amount of the dividend payout ratio, which is the percentage of net profit after tax that is distributed as dividends to shareholders (Sudana, 2011). Dividend payout ratio is an annual cash dividend divided by annual profit or dividend per share divided by earnings per share. The ratio shows the percentage of corporate profits paid to shareholders in cash (Horne and John, 2007).

To illustrate the concept of the effect of liquidity, profitability, leverage, and CSR on the value of the company with dividend policy as a moderating variable in the IDX-registered LQ45 company, it can be made in the form of a conceptual framework. The form of the conceptual framework can be described as follows:



Research Hypothesis

The hypothesis can be interpreted as a temporary answer to the research problem formulation (Sugiyono, 2007). The hypotheses in this study are as follows:

1. Current ratio, return on assets, debt to equity ratio, and CSR affect the value of the company.
2. Dividend policy can moderate the relationship of the current ratio, return on assets, debt to equity ratio, and csr with firm value.

III. Method

Types of research

This study discusses research that tests hypotheses or explanatory research. (Efferin, 2008)

Research Location and Research Schedule

This research was conducted at the listed LQ 45 companies in the Indonesia Stock Exchange which provided audited financial statement data by accessing and downloading the official website of the Indonesia Stock Exchange through the website www.idx.co.id

Research Population

Population is a generalization area consisting of: objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions taken (Sugiyono, 2011). The population in this study were LQ45 companies listed on the Stock Exchange in the period 2011-2016 received by 309 companies.

Research Samples

The sample is the part or number and characteristics possessed by the population. The sample in this study was a company that was approved in its entirety in LQ45 in the 2011-2016 period which was 21 companies.

Operational Definition

Table of Operational Definitions and Variable Measurement Scales			
Variable	Operational Definition		Skala
Current Ratio Liquidity (X_1)	The company's ability to fulfill its short-term obligations to short-term creditors. Current ratio is a ratio to measure a company's ability to pay short-term liabilities or debts that are immediately due when billed as a whole		Ratio
Profitability	The ability of a company to generate profits (profit) at the level of sales, assets, and certain share capital.		
Return On Asset (X_2)	The company's ability to generate profits from assets used.		Ratio

Solvency (X ₃)	The ratio that can show the long-term loan relationship provided by the creditor with the amount of own capital provided by the owner of the company.	Ratio
CSR (X ₄)	The Company's commitment to participate in sustainable development to improve the quality of life economically, socially and environmentally is beneficial, both for the Company itself, the local community, and the community in general	Ratio
Dividend Policy (Z)	The decision whether the profits obtained by the company will be distributed to shareholders as dividends or will be held in the form of retained earnings for future investment financing.	Ratio
Firm Value (Y)	As market value is the price that occurs from the process of bargaining in the stock market. This value can only be determined if the company's shares are sold on the stock market.	Ratio

Data Analysis Method

Data were analysed using panel data regression method, using the Eviews software tool. Panel data means that the statistical method with regression using panel data (pooled data) is a combination of time series and cross data.

The advantages of panel data regression according to Wibisono (2005) include: The data panel is able to account for individual heterogeneity explicitly by allowing individual specific variables.

1. This ability to control heterogeneity further makes panel data can be used to test and build more complex behaviors.
2. Fundamental panel data is jealous of repeated cross-section observations (time series), so the panel data method is suitable for use as a study of dynamic adjudication.
3. The high number of observations has implications for data that are more informative, more varied, and the colinearity between data is decreasing. And the degree of freedom (degree of freedom / df) is higher so that it can obtain a more estimated estimation result that is more efficient.
4. Panel data can be used to study complex behavioral models. In addition panel data can also be used to minimize the bias that might be caused by aggregation of individual data.

Hypothesis testing is done by using a panel data regression analysis model that aims to predict how much the influence of the independent variables on the dependent variable through the t test and f test with static models of the static model regression equation are:

$$NP = a + b1CR + b2ROA + b3DER + b4CSR + e$$

Information:

NP : Company Value

a : constant

b1.b2.b3.b4 : regression coefficient

CR : Current ratio
 ROA : Return on Assets
 DER : Debt to Equity Ratio
 CSR : Corporate Social Responsibility
 e : error

IV. Results

Descriptive Statistics Analysis

Descriptive statistical analysis is used to find out the description of a data seen from the maximum value, minimum value, average value (mean), and standard deviation value. In this study, the variables used in the calculation of descriptive statistics are CR, ROA, DER, CSR, PBV, and DPR. Based on descriptive statistical analysis obtained the following sample description.

Descriptive Statistics Table of PBV, CR, ROA, DER, CSR and DPR						
Deskriptif	PBV	CR	ROA	DER	CSR	DPR
Minimum	0.4	0.45	1.35	0.01	0.4	7
Maximum	49	6.99	43.41	1.28	0.84	154.6
Mean	5.057143	2.055476	11.59429	0.300714	0.66	45.05556
Standard Deviation	8.158053	1.452722	9.690865	0.272165	0.083177	26.23932

It is known that the mean value of PBV is 5,057143 and the standard deviation value of PBV is 8,158053. While the minimum value of PBV is 0.4 and the maximum value of PBV is 49. It is known that the average value of CR is 2.0554476 and the standard deviation value of CR is 1.452722. While the minimum value of CR is 0.45 and the maximum value of CR is 6.99. It is known that the average value of ROA is 11.59429 and the standard deviation value of ROA is 9.690865. While the minimum value of ROA is 1.35 and the maximum value of ROA is 43.41. It is known that the average value of DER is 0.300714 and the standard deviation value of DER is 0.272165. While the minimum value of DER is 0.01 and the maximum value of DER is 1.28. It is known that the average value of CSR is 0.66 and the standard deviation value of CSR is 0.083177. While the minimum value of CSR is 0.4 and the maximum value of CSR is 0.84. It is known that the average value of the DPR is 45,05556 and the standard deviation value of the DPR is 26,23932. While the minimum value of the DPR is 7 and the maximum value of the DPR is 154.6.

Hypothesis Testing

Testing the hypothesis in this study using the results of the estimation of the fixed effects model (FEM) regression model. The estimation results of this model are used to see the coefficient of determination test, F test and T test. The estimation results from the FEM model are as follows:

**Table of Estimates for Statistical Panel Data Regression Models
Fixed Effect Model (FEM)**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CR	0.108023	0.315242	0.342667	0.7326
ROA	0.098420	0.043372	2.269215	0.0254
DER	-0.598773	1.158343	-0.516922	0.6063
CSR	82.87764	16.65846	4.975108	0.0000
C	-50.82520	11.01015	-4.616213	0.0000

Test F

The F test is conducted to determine whether the independent variables simultaneously have a significant effect or not on the dependent variable. In the fixed effect model can be seen in the table as follows:

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CR	0.108023	0.315242	0.342667	0.7326
ROA	0.098420	0.043372	2.269215	0.0254
DER	-0.598773	1.158343	-0.516922	0.6063
CSR	82.87764	16.65846	4.975108	0.0000
C	-50.82520	11.01015	-4.616213	0.0000

Source: Results Eviews (2017)

The F test aims to test the effect of independent variables together or simultaneously on non-independent variables. Based on Table 5.14, the Prob value is known. (F-statistics), which is $0.0000 < 0.05$, it can be concluded that all independent variables, namely CR, ROA, DER, and CSR simultaneously, have a significant effect on PBV variables.

t Test

The test results of partial influence with t statistical tests basically show how far one independent variable individually or partially can explain the variation of the dependent variable namely CR, ROA, DER, and CSR partially have a significant effect on firm value which is proxied by PBV assuming variables other free constant. The results of the t test can be seen in Table 5.15 as follows:

t Test Statistics Model				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
CR	0.108023	0.315242	0.342667	0.7326
ROA	0.098420	0.043372	2.269215	0.0254
DER	-0.598773	1.158343	-0.516922	0.6063
CSR	82.87764	16.65846	4.975108	0.0000
C	-50.82520	11.01015	-4.616213	0.0000

Source: Results Eviews (2017)

Based on the test results in the Static Model t Test table, the panel data regression equation is obtained as follows:

$$Y = - 50.82 + 0.108CR + 0.098ROA - 0.598DER + 82.87CSR + e$$

The coefficient of the CR variable is 0.108, which is positive. This value can be interpreted CR variable has a positive effect on PBV variables. The Probability value is known. the CR variable is 0.7326, which is > 0.05 , then the CR variable does not significantly (statistically) affect the PBV variable, at the 5% significance level.

The coefficient of the ROA variable is 0.098, which is positive. This value can be interpreted as a variable ROA that has a positive effect on the PBV variable. The Probability value is known. the ROA variable is 0.0254, which is < 0.05 , then the ROA variable has a significant effect (statistically) on the PBV variable, at a significance level of 5%.

The coefficient of the DER variable is -0.598, which is negative. This value can be interpreted as a DER variable which has a negative effect on PBV variables. The Probability value is known. DER variable is 0.6063, which is > 0.05 , then the DER variable does not have a significant effect (statistically) on the PBV variable, at the 5% significance level.

The coefficient of the CSR variable is 82.87, which is positive. This value can be interpreted as a CSR variable that has a positive effect on PBV variables. The Probability value is known. CSR variable is 0.0000, which is < 0.05 , then the CSR variable has a significant effect (statistically) on the PBV variable, at the 5% significance level.

Effect of Current Ratio on Firm Value

The test results partially show the coefficient value of the CR variable is 0.108, which is positive. This value can be interpreted CR variable has a positive effect on PBV variables. The Probability value is known. the CR variable is 0.7326, which is > 0.05 , then the CR variable does not have a significant effect (statistically) on the PBV variable, at the 5% significance level, where the current ratio increases, the value of the company will not increase, and vice versa decreases the current ratio will also increase the value of the company.

Effect of Return On Assets on Firm Value

The test results partially show the coefficient value of the ROA variable is 0.098, which is positive. This value can be interpreted as a variable ROA that has a positive effect on the PBV variable. The Probability value is known. the ROA variable is 0.0254, which is < 0.05 , then the ROA variable has a significant effect (statistically) on the PBV variable, at a significance level of 5%. This value indicates that the return on assets is in line with the value of the company, where the increasing return on assets will also increase the value of the company, and vice versa the decreasing return on assets will decrease the value of the company. From the results of these tests, we obtain empirical evidence that return on assets has a significant effect on firm value which is proxied by price to book value (PBV).

Effect of Debt to Equity Ratio on Firm Value

The test results partially indicate that the coefficient value of the debt to equity ratio (DER) variable is -0.598, which is negative. This value can be interpreted as a DER variable which has a negative effect on PBV variables. The Probability value is known. DER variable is 0.6063, which is > 0.05 , then the DER variable does not have a significant

effect (statistically) on the PBV variable, at the 5% significance level. This value indicates that if the Debt to Equity Ratio increases it will reduce the value of the company. From the results of these tests, empirical evidence is obtained that the debt to equity ratio does not have a significant effect on firm value which is proxied by price to book value.

Effect of CSR on Firm Value

The test results partially show that the coefficient of the CSR variable is 82.87, which is positive. This value can be interpreted as a CSR variable that has a positive effect on PBV variables. The Probability value is known. CSR variable is 0.0000, which is <0.05 , then the CSR variable has a significant effect (statistically) on the PBV variable, at the 5% significance level. This value indicates that CSR is in line with the value of the company, where the increasing CSR will also increase the value of the company, and vice versa the decreasing CSR will decrease the value of the company. From the results of these tests, empirical evidence is obtained that CSR has a significant effect on firm value which is proxied by price to book value.

Effect of current ratio, return on assets, debt to equity ratio, and CSR on firm value

Simultaneous test results indicate that the independent variable, namely the current ratio, return on assets, debt to equity ratio and CSR jointly influence the dependent variable, the firm value. This is known from the value of the Prob. (F-statistics), which is $0.0000 < 0.05$, it can be concluded that all independent variables, namely the current ratio, return on assets, debt to equity ratio and CSR simultaneously have a significant effect on the variable value of LQ45 companies on the Indonesia Stock Exchange (IDX).

Effect of current ratio, return on assets, debt to equity ratio, and CSR on the value of the company with dividend policy as a moderating variable.

In testing moderation with a residual test approach, a variable is said to moderate the independent variable if the non-free variable regression coefficient is negative and significant (Ghozali, 2013: 244). The regression coefficient of PBV is -0.119826 (negative value), but not significant (Prob 0.5315 > 0.05). This means that the DPR is not significant in moderating the relationship between CR, ROA, DER, CSR towards PBV. It can be concluded that the company size variable is not a moderating variable, that is, it cannot moderate the relationship of the current ratio variable, return on assets, debt to equity ratio, and CSR with firm value.

V. Conclusion and Suggestion

Conclusion

This study aims to see the effect of liquidity, profitability, leverage and CSR on the value of the company with dividend policy as a moderating variable.

The results of this study provide research conclusions, including the following:

1. Based on the results of simultaneous analysis, the independent variable, namely liquidity, which is proxied by the current ratio, profitability proxied with return on assets, leverage proxied by debt to equity ratio, and CSR has a significant effect on the LQ45 company value on the Indonesia Stock Exchange. Partially, the liquidity variable that is proxied by the current ratio does not have a significant effect on firm value, the profitability variable proxied with return on assets has a significant effect on firm value, the leverage variable that is proxied by debt to

equity ratio does not significantly influence firm value, and variable CSR has a significant effect on firm value.

2. Based on the results of the moderating test with residual test shows that dividend policy is not proven as a moderating variable that can moderate the relationship of liquidity that is proxied by the current ratio, profitability proxied with return on assets, leverage proxied by debt to equity ratio, and CSR with the value of the company.

Suggestion

In order for the limitations of the study in this study to be refined later by the next researcher, the researchers' suggestions include:

1. For the next researcher to be able to replace the moderating variable of dividend policy with other variables to moderate the influence of the independent variable on the dependent variable or can replace or add the independent variable of the research so that the size of the company can moderate the relationship of the independent variable with the dependent variable.
2. This research is only limited to LQ45 companies listed on the Indonesia Stock Exchange, to the next researchers are also expected to be carried out on all companies listed on the Indonesia Stock Exchange.

Research Limitations

The limitations of this study are:

1. The results of the moderating test with residual test show that dividend policy is not proven as a moderating variable which can moderate the relationship of liquidity that is proxied by the current ratio, profitability proxied with return on assets, leverage proxied by debt to equity ratio, and CSR with firm value LQ45 on the Indonesia Stock Exchange.
2. This research is only limited to LQ45 companies listed on the IDX, so that it does not reflect the development of the overall value of the company.

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